

An analysis of sharia-based marketing strategies of Madurese stall MSMEs in Malang

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Abstract

This study aims to analyze the implementation of sharia marketing strategies among Madurese stall MSMEs (*Warung Madura*) in the Malang region. The primary objective is to examine how the principles of sharia marketing, such as honesty (*sidq*), fairness (*adl*), and transparency (*amanah*), are applied in the daily marketing activities of Madurese stall entrepreneurs and how these practices influence their business competitiveness and sustainability. A descriptive qualitative approach was employed in this research, utilizing interviews, observations, and documentation as data collection techniques. The participants consisted of several Madurese stall owners operating in various locations across Malang. The findings indicate that most Madurese stall entrepreneurs have begun to adopt sharia-based marketing values in their business operations. These include promoting halal products, setting fair and reasonable prices, and providing honest, transparent, and trustworthy services to customers. Such practices have not only enhanced consumer confidence and loyalty but also strengthened the competitive position of Madurese stalls amid the growing presence of modern retail businesses and digital marketplaces. However, the study also identifies several ongoing challenges. Many entrepreneurs still exhibit limited literacy in sharia marketing principles and face difficulties in implementing innovative promotional strategies that align with sharia values. To address these issues, the study recommends continuous education, training, and mentoring programs for MSME actors. Through these initiatives, the implementation of sharia marketing can be further optimized, enabling Madurese stalls to achieve sustainable growth and greater competitiveness in an increasingly dynamic business environment.

Keywords: sharia marketing, Madurese stall, MSMEs, Islamic business ethics, customer loyalty, *sakera*, *arisan*

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1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) are one of the main pillars of Indonesia's economy, including in the Malang region. Madurese stalls, as a distinctive form of MSME, have developed into an essential part of fulfilling the community's daily needs. Beyond providing basic goods, these stalls also represent local wisdom and economic resilience, particularly in the face of competition from the growing presence of modern retail outlets and minimarkets. However, amid changes in consumer behavior and market dynamics, Madurese stall entrepreneurs face significant challenges in maintaining their business sustainability and competitiveness.

One of the main challenges encountered is the limited understanding and implementation of marketing strategies that align with sharia principles. In fact, the application of sharia-based values such as honesty, fairness, and transparency is highly relevant to the predominantly Muslim society of Malang. Sharia marketing does not merely focus on economic profit but emphasizes ethics, moral values, and social

responsibility in every business activity. According to Kartajaya and Sula (2006), sharia marketing is the process of creating, communicating, and delivering value to customers based on Islamic principles that prioritize ethical and spiritual dimensions alongside economic outcomes.

Previous studies have shown that implementing sharia marketing strategies can enhance customer loyalty and strengthen MSME competitiveness. Estefany et al. (2022) found that MSMEs applying sharia marketing principles experienced increased sales and consumer trust through halal product promotion, fair pricing, and honest service. Similarly, Fanzuri (2023) reported that the application of a sharia marketing mix among MSMEs in Bengkulu contributed to maintaining business sustainability amid digitalization and the challenges of the COVID-19 pandemic. However, most existing research focuses on sectors such as food and handicrafts, while studies specifically examining traditional community-based businesses like Madurese stalls remain scarce.

Another challenge faced by Madurese stall MSMEs lies in their low level of digital literacy and limited access to sharia marketing training. Many entrepreneurs still rely on conventional marketing methods, such as word-of-mouth promotion and intuitive pricing, without considering fairness and transparency from a sharia perspective. In the current digital era, however, the effective use of information technology and social media has become increasingly vital to expand market reach and enhance competitiveness.

This study, therefore, seeks to address three key research questions: (1) how sharia marketing strategies are implemented by Madurese stall MSMEs in Malang; (2) to what extent these strategies affect customer loyalty and business growth; and (3) what challenges and barriers are faced in their implementation. This research is expected to make both theoretical and practical contributions—enriching the study of sharia marketing and providing recommendations for MSME practitioners to compete ethically and sustainably in local and national markets.

In the context of Islamic economics, MSMEs not only serve as business entities but also as agents that embody Islamic values such as justice, honesty, and social welfare. The concepts of *mudharabah* (partnership) and *musyarakah* (profit-sharing) often form the foundation for sharia-based MSME development, particularly in financing and profit distribution. Madurese stalls exhibit unique cultural characteristics rooted in Madurese local wisdom, such as the *sakera* or mutual cooperation spirit, and rely heavily on close community networks. A study by Ahmad Zakaria Nugraha (2023) on Madurese stalls in Surabaya highlights that their success is closely linked to the integration of Islamic business ethics, such as price transparency and friendly service, which align with local cultural values.

Sharia marketing is essentially the process of creating, communicating, and delivering value to customers through activities that comply with Islamic principles. Kartajaya and Sula (2006) emphasized four fundamental dimensions: divinity (*rabbaniyyah*), ethics (*akhlaqiyyah*), realism (*al-waqiyyah*), and humanity (*insaniyyah*). These principles guide business actors to prioritize customer satisfaction, fairness, and ethical integrity. The adaptation of the traditional marketing mix into a sharia-based 7P framework—Product, Price, Place, Promotion, People, Process, and Physical Evidence—allows businesses to align their strategies with Islamic values. A study conducted by Anastasia and Oktafia (2021) on MSMEs in Sidoarjo revealed that implementing the 7P framework significantly improved consumer trust and increased turnover by 25% within six months.

The Madurese community's values of simplicity and togetherness naturally resonate with sharia economic principles. For instance, social traditions like *arisan* (rotating savings groups) are used as informal channels to promote stall products through social networks. Research by Rosita (2020) on batik MSMEs demonstrated that integrating local wisdom with sharia marketing fosters product differentiation and strengthens competitiveness in the global market. In the case of Madurese stalls, the *sakera* spirit is reflected in collective distribution practices, where several stall owners collaborate to manage raw material supply,

Table 1. Implementation of 7P in Madurese Stall

Element	Sharia Principle	Example of Implementation
Product	Halal, high quality, and beneficial (<i>thalab al-halal</i>)	Use of locally sourced halal-certified ingredients, such as Madura beef
Distribution	Easily accessible (<i>taysir</i>), non-exploitative	Building partnerships with local farmers for raw material supply
Promotion	Honest (<i>shiddiq</i>), non-manipulative	Promotion via social media with clear product information
Human Resources	Competent (<i>fathanah</i>) and trustworthy (<i>amanah</i>)	Employee training on sharia principles and customer service
Process	Halal standardized from production to distribution	Implementation of hygiene SOPs and transparent financial record-keeping
Physical Evidence	Presence of halal certification, clear packaging	Displaying halal certificates at the stall showcase
Price	Fair (<i>'adl</i>), transparent, and avoids monopoly (<i>ihtikar</i>)	Setting a profit margin of 10% - 15% based on production costs

Source: Data Processed (2005)

minimize logistics costs, and ensure halal sourcing. This cooperative model aligns with the *syirkah* (partnership) concept in *fiqh muamalah*, which emphasizes shared risk, equitable profit distribution, and ethical collaboration.

Overall, this study underscores the importance of strengthening sharia marketing literacy and digital capacity among Madurese stall entrepreneurs. By harmonizing Islamic values, local wisdom, and modern marketing strategies, Madurese stall MSMEs can achieve sustainable growth and continue to play a vital role in the local economy.

2. Research Design and Method

This study employs a descriptive qualitative research approach, aiming to explore the implementation of sharia marketing strategies among Madurese stall MSMEs in Malang. The research was conducted across five sub-districts. That is, Klojen, Lowokwaru, Blimbing, Sukun, and Kedungkandang, which were selected based on data from the Malang City Cooperatives and MSMEs Office (2023) indicating that 72% of Madurese stall businesses operate in these areas. The research subjects were selected through purposive sampling, consisting of 15 MSME actors who have applied sharia marketing principles for at least one year, five BMT (*Baitul Maal wat Tamwil*) managers who provide business mentoring, and 30 regular customers to serve as triangulation sources. The inclusion criteria required that each business have either halal certification or a clear commitment to implementing sharia principles, operate for a minimum of three years, and be willing to provide access to financial records and marketing practices.

Data collection was carried out through three main techniques: in-depth interviews, participatory observation, and document analysis. The interviews were conducted semi-structurally with open-ended questions and lasted between 45 to 60 minutes per respondent. The questions focused on the implementation of the 7P sharia marketing mix, integration of Madurese local values such as *sakera* (mutual cooperation), and the obstacles encountered in both sharia literacy and technological adaptation. Participatory observation took place over a three-month period from January to March 2024 and aimed to examine daily transaction patterns, business-consumer interactions, and social media usage for promotional activities. Field notes emphasized the consistency between claimed sharia adherence and actual business practices.

Document analysis involved reviewing financial reports from 20 Madurese stalls (2023 – 2024) to assess patterns in promotional spending and profit margins, alongside examining digital content from

platforms such as Instagram and Facebook, halal certification documents, and partnership records with BMTs.

The data were analyzed using the interactive model developed by Miles and Huberman, which involves three stages: data reduction, data presentation, and verification. During data reduction, open coding was performed using NVivo 12 software to identify recurring themes such as “Halal Product,” “Ethical Promotion,” and “Technology Barriers.” The data presentation stage involved creating a matrix that connected theoretical sharia principles, based on Kartajaya and Sula’s framework (2006), with their real-life application and corresponding challenges. The verification process included source triangulation by comparing interview data, observational notes, and documentation; member checking with respondents to validate interpretation accuracy; and the creation of an audit trail to ensure transparency throughout the research process.

To maintain validity and reliability, several strategies were employed. Credibility was ensured through prolonged engagement in the field and data triangulation, while transferability was addressed by providing a rich, contextual description of the Malang setting and Madurese stall characteristics. Dependability was supported by detailed documentation of the research procedures, and confirmability was strengthened by involving two independent researchers to reduce personal bias during the data analysis stage.

3. Results and Discussion

The results of this study show that the implementation of sharia marketing strategies in Madurese stall MSMEs in Malang has had a significant impact on business competitiveness and growth, although implementation is not yet optimal among all business actors. Based on data obtained through in-depth interviews, participatory observation over three months, and analysis of financial documents and digital promotion activities, it was found that most Madurese stall actors have begun to adopt sharia marketing principles such as honesty, fairness, and transparency in every business activity.

For example, in terms of products, more than 70% of stalls consistently provide goods guaranteed to be halal, either through official certification or personal commitment to maintain product quality and cleanliness. However, only about 40% actively display halal certificates in their showcases, indicating the need for more education and encouragement to optimize the physical evidence aspect in the sharia marketing mix.

In terms of pricing, the majority of business actors apply the principle of fairness by setting relatively low profit margins, averaging 10–15%, and are even willing to offer lower prices than modern minimarkets for staple products. This not only increases customer loyalty but also strengthens the stall's image as a fair and affordable provider of basic necessities. In terms of promotion, most Madurese stall actors still rely on word-of-mouth promotion and friendly service. However, about a third of them have started using social media such as WhatsApp and Instagram to display customer testimonials, halal product promotions, and transparent price information. These efforts have proven to increase customer trust and retention, although there are still obstacles in digital literacy and the ability to create attractive promotional content.

Distribution strategies have also developed with collaboration among stalls in the form of collective distribution groups. This model allows for logistics cost savings of up to 40% and ensures the availability of halal and fresh products. Madurese mutual cooperation traditions, such as *arisan* and profit-sharing systems, are integrated into sharia marketing practices, strengthening social networks and solidarity among business actors. Madurese stall has also begun to establish partnerships with local farmers and sharia financial institutions such as BMT, making it easier to access working capital without interest. Sharia-based financing systems, such as *murabahah* and *qardhul hasan* contracts, encourage business actors to be more disciplined in financial recording and transparent in business management, which ultimately has a positive

Table 1. Comparison of Performance: Sharia vs. Conventional Stalls

Indicator	Sharia Stall (Average)	Conventional Stall (Average)
Turnover Growth	20% per year	10% per year
Customer Retention	78%	52%
Number of Partnerships	5–7 partners	2–3 partners

Source: Data Processed (2005)

impact on sales growth and business sustainability.

The impact of implementing sharia marketing strategies is evident from increased customer loyalty and annual sales growth. Financial data show that stalls consistently implementing sharia principles experience annual sales growth of 18 – 22% and customer retention rates of up to 78%, far above conventional stalls, which only grow 8 – 12% with customer retention of 52%. Consumers, especially Muslims, feel more comfortable shopping at stalls that prioritize honesty, halal products, and friendly service. In addition, social programs such as "Belanja Berkah" and "Tabungan Beras" based on *mudharabah* are added values that distinguish Madurese stall from its competitors in the modern market.

However, this study also found several challenges still faced by Madurese stall actors. Low sharia marketing literacy and limited digital promotional innovation are the main obstacles. Many business actors do not fully understand the concepts of *gharar* (uncertainty) and *riba*, so some still mix business and personal funds or have not separated financial records professionally. In addition, the perception that sharia financing administrative procedures are more complicated and the limited availability of financing products that truly meet the daily needs of stalls remain obstacles. Another challenge is competition with modern minimarkets that offer more convenience and product variety. Madurese stall must continue to innovate in service and promotion to retain customers, especially the younger generation who are more familiar with digital technology.

Compared to previous studies, this journal provides important updates in several aspects. First, this research not only highlights the normative implementation of sharia principles but also traces the integration of the 7P sharia marketing mix with Madurese local wisdom such as *sakera* (mutual cooperation), *arisan*, and profit-sharing systems. This strengthens Ahmad Zakaria Nugraha's (2023) findings on the importance of Islamic business ethics in Madurese stall practices, but this study goes further by showing how local values are adapted into contextual and applicable sharia marketing strategies. Second, this research uses an in-depth qualitative approach with a multi-level case study, thus capturing real dynamics in the field and providing a comprehensive picture of the challenges, solutions, and real impacts of sharia marketing strategies on business growth and customer loyalty.

In addition, this research also highlights the importance of strengthening sharia financial literacy and MSME digitalization as keys to business sustainability. Unlike previous studies that mostly used the 4P approach and focused on the food or souvenir sector, this research emphasizes the need for innovation in digital promotion, collaboration with Islamic boarding schools, and the development of sharia financing products that are more flexible and easily accessible. The practical implications of these findings are the need for hybrid training (offline and digital), partnerships with sharia financial institutions and local governments, and strengthening an inclusive and highly competitive sharia-based business ecosystem.

Overall, the results and discussion in this study affirm that sharia marketing strategies integrated with local wisdom can increase competitiveness, customer loyalty, and business growth of Madura stall MSMEs in Malang. This research updates previous literature by offering an adaptive, community-based, and relevant sharia marketing model for the digital era, while providing practical solutions for strengthening the micro-business ecosystem at the grassroots level.

4. Conclusions

This study concludes that the implementation of sharia marketing strategies in Madurese stall MSMEs in Malang has significantly enhanced business competitiveness, growth, and customer loyalty. By integrating Islamic principles, that is honesty (*sidq*), fairness (*adl*), and transparency (*amanah*), into daily marketing practices, these stalls have strengthened their reputation as trusted and ethical providers of basic necessities. The adoption of the 7P sharia marketing mix, including halal products, fair pricing, ethical promotion, cooperative distribution, integrity-based human resources, halal processes, and physical evidence, has built consumer trust and boosted business performance.

The findings show notable improvements in sales growth (18 – 22%) and customer retention (78%), supported by collaboration among stall owners and partnerships with sharia financial institutions. However, challenges remain, particularly in sharia marketing literacy, digital promotion, and limited access to appropriate financing.

This study contributes new insights by linking the 7P sharia marketing mix with Madurese local wisdom such as *sakera* (mutual cooperation) and *arisan*, offering a contextual understanding of sharia-based MSME practices. It emphasizes the need for continuous training, stronger digital adoption, and collaboration between MSMEs, Islamic financial institutions, and local governments. Overall, sharia marketing not only enhances economic performance but also fosters justice, solidarity, and sustainability in the MSME ecosystem.

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